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TAGS: [PGOV](#) [PREL](#) [EC](#)  
SUBJECT: BIOGRAPHIC NOTES: ECONOMIC POLICY COORDINATOR  
MAURICIO DAVALOS

Classified By: PolOff Erik Martini for reasons 1.4 (b&d).

¶1. (C) President Rafael Correa named Carlos Mauricio Antonio Jose Davalos Guevara to the newly formed position of Minister for Coordination of Economic and Production Policy on February 17, 2007. Davalos is in charge of coordinating the efforts of the Ministries of Economy, Industry, Agriculture, Foreign Affairs and other independent entities. With his background in government, business, politics, and academia, Davalos is expected to wield substantial influence on a wide range of economic and commercial issues in the Correa administration.

#### Davalos Brings Experience to Correa's Economic Team

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¶2. (C) Unlike many of Correa's economic advisors, Davalos has extensive government experience. He began his government career as Minister of Natural Resources and Energy in 1979 during the military junta that ruled Ecuador. He then served as Governor of Ecuador's Central Bank from 1979-1981, Governor of the International Monetary Fund for Ecuador during the same period, and President of the Board of Directors of the Agricultural Development Bank of Ecuador in ¶1983. Davalos helped draft two Ecuadorian constitutions; as a member of the Judicial Reconstruction Commission in 1979, and as member of the constituent assembly in 1998. In 2000, Davalos served for six months as Minister of Agriculture in the Gustavo Noboa administration.

¶3. (U) In the late 1980s and through the 1990s, Davalos pioneered Ecuador's prosperous floriculture industry, developing a business which has grown to be a major exporter. He also served in a variety of business and trade federations and associations. Most recently, he directed the Pacific Economic Cooperation Council. In the academic field, Davalos taught at Quito's respected Catholic University and the University of New Mexico's Center for Andean Studies.

#### Politically Moderate

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¶4. (C) Davalos has been active in politics since university: he held several high posts in the right of center Christian Democrat University Students Organization, including president. In the late 70s, he was a representative to the founding congress of the alliance between the Popular Democracy (DP) party and the Christian Democrat Union (CDU), which survives today as the right-of-center UDC party. Davalos remained an active leader of the DP until the mid

90s. Davalos is described as a moderate in most political circles. Despite his past right-of-center politics, he is a close advisor to President Correa and reportedly is one of the few members of Correa's Cabinet who offers unvarnished counsel.

#### ATPA Extension Tops Agenda

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15. (C) In his role as Coordinator for Economic Affairs, Davalos has publicly pronounced an extension of Andean Trade Preference Act (ATPA) benefits as his first and most important task. In his meeting with the Ambassador, Davalos accepted that many members of Congress view ATPA as a trade matter, but urged that the United States not lose sight of anti-narcotics genesis of ATPA. Appointed to lead COMEXI, the entity now guiding foreign trade policy, the task falls squarely under his responsibility. He will likely take the lead on most trade issues, given his official position as "super minister" and the relative lack of experience of Foreign Minister Maria Fernanda Espinosa on trade issues. Davalos told the Ambassador (septel) that the Correa administration opposes a Free Trade Agreement with the United States, but its opposition is not based on "trivial (i.e. ideological) reasons," but because of concern for the agricultural sector.

16. (C) In his meeting with the Ambassador, Davalos focused on the need to identify income-generating agricultural sector projects that government can support. In contrast to the Ministry of Economy, which wants to cap government-backed loans to \$5,000, Davalos supports more generous government financing to larger producers. Davalos framed almost all issues that he discussed with the Ambassador in agricultural terms, not surprising given his agricultural background, but also gave the impression that he is not viewing trade and economic issues from the broad perspective expected of his coordinator role.

17. (U) Mauricio Davalos was born in Riobamba, Ecuador on June 24, 1944. He studied law at Central University in Quito, Ecuador, obtained a bachelors degree in economics from Northwestern University in Evanston, Illinois in 1970, and a masters degree in economics from Vanderbilt in 1973.

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